

FINANCIAL NEWS AND COMMENT

Sterling at Least Sentimentally
Affected by Movement of
Pool's Gold.

LONDON IS DISSATISFYING

While no actual transactions passed on the gold fund which the banks have raised for use in the foreign exchanges were reported yesterday, the sterling market continued to be at least sentimentally affected by the possibility of remittance which the fund holds out. A transfer of about a half million dollars gold was made from the Sub-Treasury for Canada, but the operations of the gold committee were so short-handed and above 4.96, with cables so short-handed and it could not be said that exchange gave any signs that London was adopting a more liberal policy toward our money market despite the expensive lengths to which American finance is going to discharge the country's obligations abroad.

According to London advices money is being taken up in the world's central money market, but the London bill of exchange has all but ceased to exist and the question is being asked here if the British banking community has lost both courage and ability to handle the situation which the war has created for the world's financial centre. It is not too much to say that dissatisfaction is mounting up here, and the war which London is exhibiting is the real rattling on in the foreign exchange market that unless London's present policy is changed, demand sterling will hover around current levels as long as the gold pool is in operation and then rise sharply again.

It is true nevertheless that the exports of cotton are increasing moderately or remaining at their present level, export for the week made a new weekly record. If only the credit processes of international finance are restored it is altogether likely that the outward movement of cotton would become materially larger. It is depressing to observe what the crop indications are and consider the movement that might have taken place had for the war been limited.

The average to previous records, and there is more than a suggestion that this year's yield of cotton may be the largest in history. There have for some time been private estimates that it would be about 15,000,000 bales.

Of course the huge proportions of the crop add to the present distress of the South, but the large size of the cotton crop would have had to sell his staple in a declining market anyway.

The recession in wheat continued, the May option closing yesterday at further loss of 14 cents a bushel.

The conferences held at Washington between the new Federal reserve bank directors and the Federal Reserve Board were most interesting especially as they furnish indications of a very early establishment of the regional banks. This is something which is going to be helpful in the present situation, for there is no longer any apprehension that a disturbance in the distribution of funds will be involved in setting up the new institution.

The known movements of capital point to a large shift in during the week estimated ranging as high as \$15,000,000. Shipments of currency from the interior were very heavy, suggesting that bank note circulation has become redundant. Curiosity is aroused, accordingly, as to what the attitude of the Treasury may be toward efforts to retire circulation. An indication of the effect of the exchange market was a pronounced fall in markets. Both sight and cables were offered with great freedom, and the lack of demand was conspicuous. The weakness was attributed to the effect upon the minds of the people with credit balances in Germany of the latest developments in the theatre of war.

THE COPPER MARKET.

No Demand for Metal—Producers Realize They Must Wait.

There was no demand for copper yesterday, and the market was below normal nominal. Producers realize that general business conditions are below normal, and as a result they must wait with other industries for an improvement.

The Anaconda Copper Mining Company announced its September yield at 12,400,000 pounds. The production for two preceding months was withheld, but as it was not in particular demand, but holdings entailed operations. Under cumpliment the company aims to turn out about 12,000,000 pounds monthly.

The Mohawk Mining Company produced 755 tons of mineral last month, which was somewhat above the preceding month's yield.

Exports of copper as indicated by clearances from the Canadian House of Trade were 5,213 tons for the past week; the month of September witnessed clearances of 19,405 tons, making 28,588 tons since January 1.

INDUSTRIAL EARNINGS.

SOUTHERN EXPRESS
The Southern Express Company reports to the Interstate Commerce Commission for June 30, 1914, the following:
Total open revs., \$1,999,999 Inc.
Total open exps., \$1,656,630
Net open revs., \$60,344 Inc.
Oper. income, \$1,656,630
Pctal. years, 1913-14 Total open revs., \$1,866,109
Total open exps., \$1,672,201 Inc.
Oper. income, \$1,694,173 Inc.

MONEY IN NEW YORK.

Call money ruled at 8 per cent. The time money market was dull, with rates from 7 to 8 per cent. for all maturities.

Commercial paper was quiet at from 7 to 8 per cent. for all maturities. The London exchange on New York: St. Louis, 8c premium; San Francisco, 6c premium; Chicago, 2c; premium; Minneapolis, 3c; premium.

Refined sugar business was light and quotations were unchanged.

GOSPI OF WALL STREET.

European Liquidation.

There has been a good deal of wild talk about the amount of foreign liquidation that New York would have to take if the Stock Exchange were to reopen. Because the amount of American securities held by Europe has been placed by various eminent statisticians at somewhere between \$10,000,000,000, it is not a few persons have jumped to the conclusion that a substantial proportion of this staggering total would be thrown over immediately if the exchange doors were to reopen. So impressed have some people become with the thought that all sorts of extravagant and ridiculous schemes have been proposed for the formation of gigantic syndicates to receive the surplus, that it is often forgotten that the United States Government itself buy a billion or two of these securities. The fact of the matter is that there is no certainty that Europe either wishes or would be able to liquidate an enormous mass of American securities here in a short time. The rush Europe made to cash in just before the war began, only doesn't mean that the same thing will be repeated. For one thing, prices prevailing in the market have risen so high that it is difficult to sell stocks at sacrifice prices. Liquidation will fall off automatically with the approach of prices to a point where the total volume of American securities held abroad a large part is unchanged. The market for unlisted securities depends on the existing demand. When the demand disappears the market disappears. This country cannot be forced to buy unlisted securities from Europe, although she will undoubtedly be glad to take them if she can make her own prices.

"Call" Markets.

In the opinion of experts the suggestion that trading in stocks on the exchange be resumed through the old fashioned process of a daily "call" market is very weighty. The idea was that in this way business would be resumed gradually. It was suggested that a call market should first be established in a few of the high class municipal bond issues, and that if this worked successfully additions to the list could be made.

Investigation of the market showed that it not only would such a plan fail to prevent weakness in prices, but that it might even create unsettlement rather than relieve it. There are still

Stock Exchange members living who remember the days when trading was conducted on the call system. It was in effect partly at least as recently as 1876.

The proposal is that the "call" system

be established in a few stocks, and

then gradually extended to other stocks.

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A Western Authority.

The Northwestern National Bank Review of Minneapolis says in the October circular: "The movement of cereals to this market is lighter than would be expected in normal years. It is probable that those farmers who were in urgent need of money have now sold enough grain to take care of their present necessities. Persons closely in touch with the market say that many farmers are holding their grain in hope, and are waiting for a better cash demand and on predictions of bad weather next week was again held."

The stock of gold in the United States is now \$1,000,000,000, and nothing is said about the volume of private holdings, is over \$1,500,000,000. It is very true that this stock is not under effective control, but given an effective banking organization it can scarcely be questioned that our gold stock is ample to permit of its free use to accomplish the purpose for which reserves are maintained."

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Illustration in Britain.

"The most wonderful illustration of the power of gold is Great Britain's foreign commerce of \$7,000,000,000 a year, and bank deposits aggregating over \$2,000,000,000 and available gold reserve in the Bank of England of about \$260,000,000. The gold holdings of all other banks may aggregate as much more, but they have been drawn for redemption of notes."

The indicated yield per acre is given as 260.2 pounds, compared with 1,000,000 pounds last year, and a ten year average of 1,000,000 pounds. The average of the cotton crop this year is placed at 26,600,000 and the indicated crop between 15,300,000 and 15,500,000 bales. When on considers however that autumn rains may lower the grade of the crop and that on the present basis of about 7c cents for mid-winter wheat, the yield per acre may not be worth more than 4 or 5 cents. It is not surprising that the indicated yield of the present crop should not be picked. Moreover, there probably will be very little effort made to save "bolles" or cotton obtained from frozen bolls and extricated by mechanical processes.

Cotton is somewhat stronger in the South and prices in Texas are about half a cent above the prevailing at the close of last week. The New York figures on the week's intake were sighted as 234,162, against 248,554 last year.

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